

## **Joint statement on proposals in the new Public Procurement Directives**

We welcome the European Commission's proposals for the new Public Procurement Directives. We believe these will provide much-needed improvements to current procurement procedures undergone by civil society organisations in the delivery of public services.

In particular, we strongly support the three proposals outlined below. These offer solutions to some of the most common problems reported by the sector in the procurement of local community and social services.

These three key proposals are:

### **An independent procurement ombudsman (Articles 84-88)**

*In particular:* each Member State must establish an independent oversight body to assist in improving procurement standards. Responsibilities of this body include:

- oversight and coordination of implementation activities
- produce an annual report to include statistics on SMEs winning contracts
- provide legal advice to contracting authorities and economic operators
- examine complaints from citizens and businesses on application of rules

Both the government and the sector have complained about risk-averse and disproportionate practice as a key barrier to efficient and appropriate procurement of services. This proposal offers practical guidance, assistance in decision-making, and in turn, more flexible and appropriate procurement practice.

We strongly advise that the oversight body is not dismissed as bureaucratic red-tape, but recognised for its benefits to provide helpful, reliable and necessary advice to contracting authorities, procurement officers and UK organisations. This will increase competition and reduce costs of poor practice and decision-making.

### **Explaining decisions behind contract size (Article 44)**

In a stated effort to challenge the increasing aggregation of contract sizes, the EU proposes that all commissioning bodies letting contracts worth more than E500,000 must explain why these contracts haven't been split into smaller lots. This intends to support SME competition in the market.

With increased burdens on contracting authorities to reduce local budgets, this proposal ensures that decisions on contracts sizes are carefully considered on the basis of suitability, and not convenience. This also offers organisations a route to challenge poor decision-making that will have a detrimental impact on how services are shaped and delivered.

### **Raising the threshold for 'social services' (Article 74)**

Several changes are proposed around Part A/ B categorisation and thresholds. To this, we welcome the following:

- Raising the threshold for health, social and education services;
- Deleting the Part B category

These proposals recognise that current regulations do not account for the distinct characteristics of social services, and have minimal effect on competition and cross-border interest. This will alleviate unnecessary procedures and administrative burdens for all parties, and allow more focus on the design and effectiveness of services.

We have long campaigned for changes in the procedures for social services, and support the principle of a more simplified and appropriate process.

However, while 'social services' - described as "services to the person" - are subject to a specific lighter regime, community support services previously within Part B will be moved upwards to the Part A category. This includes,

- Provision of services to the community
- Civic betterment
- Community Action Programme

We strongly recommend that these community support services are treated similarly to 'social' 'services to the person' and removed from the categories of the Regulations. This would be proportionate treatment of community services, and recognition of both the role of SMEs and the civil society sector in the provision of such services, as well as the lack of cross-border interest and applicability in such provision.

As the government has commenced negotiations on the proposals in Europe, we hope the position on these proposals is reviewed and carefully considered. The proposals share common aims with the UK government to ensure better and more efficient procurement practice on the ground, support SMEs and civil society organisations to access the competitive market, and create space for innovative and effective service delivery.

If we can be of any assistance in helping with that task or if you would like to discuss any of the matters, please contact Neena Bhati: [neena.bhati@ncvo-vol.org.uk](mailto:neena.bhati@ncvo-vol.org.uk).

